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SUBJECT: PETRA'S VICTORY AS NEW WORLD WONDER CAPTIVATES A NATION,
OFFERS HOPE FOR MORE ECONOMIC GROWTH

¶1. (U) Summary: Petra's candidacy and victory as one of seven "New Wonders of the World" have dominated the news and attention of Jordan since mid-June. Tourism has been growing in Jordan in spite of regional instability, and officials are optimistic that Petra's new designation will cause the tourism sector, which represented 11% of GDP in 2006, to rapidly expand. The challenge will be overcoming significant infrastructure limitations in support of this fast-growing industry. Helping Jordan develop its strategy to promote the sector is an important part of USAID's "Economic Opportunities" program. End Summary.

Petra Wins!

¶2. (U) Petra, a stone city first settled 2600 years ago, was the capital of Arab Nabataean nomads who transformed the area into a junction for silk, spice, and trade routes. Travelers who make the three-hour drive from Amman to the southwestern Jordanian city are rewarded with awe-inspiring scenery of rose-colored sandstone ruins amidst a winding canyon. Petra was designated a UNHCR Heritage Site in 1985. Those who have not visited Petra may recognize its spectacular Treasury building, which, carved into the side of a cliff, provided the backdrop for the climatic scene in "Indiana Jones and the Last Crusade."

¶3. (U) On July 7 at 1:00 am local time, following Petra's official designation as one of the seven "New Wonders of the World," fireworks exploded over Amman and thousands celebrated in Petra and Amman with cheering, flag-waving, and dancing. The victory has been covered extensively in the local media and in speeches by the Prime Minister, the Minister of Culture, the Minister of Tourism and Antiquities, and other government officials. Newspaper headlines for several days following the announcement focused on Petra, with the Iraq war and Palestinian issues demoted to below the fold. As part of the on-going celebrations, officials at the Central Bank told EconCouns that they intend to issue a commemorative Petra coin, valued at approximately \$50.

Jordan Rocks the Vote

¶4. (U) In the weeks leading up to the election, Jordanian companies put ads in newspapers urging Jordanians to vote. Jordan Telecom established public cellular and Internet kiosks and toured 57 locations to encourage voting. Jordanian visitors were handed leaflets upon arrival at Amman's airport urging them to vote. "Vote for Petra" even became a talking point for General Khalid Sarayreh, Chairman of the Joint Chiefs of Staff of Jordan's Armed Forces, during a meeting with U.S. National Guard head Lieutenant General Steven Blum, as well as other senior USG visitors. Jordanian participation in the balloting was estimated at 40% of the population a week before the deadline. Worldwide, an estimated 100 million people voted via Internet and telephone, with Petra receiving an estimated 22 million votes. NOTE: Voters voted for their top seven candidates from a list of 21 contenders. END NOTE.

Tourism: A Growing Industry

15. (U) Tourism is a mainstay of Jordan's economy, and the Central Bank estimates tourism receipts of JD 1.16 billion (\$1.64 billion), annually, representing 11% of GDP in 2006. The Central Bank of Jordan reported in mid-July that tourism receipts had grown 30% in the first quarter of 2007 as compared to the same period in 2006. Tourism is also the country's second largest contributor to foreign exchange, surpassed only by workers' remittances. Jordan's National Tourism Strategy is focused on increasing tourism by 2010 to JD 1.9 billion, thereby generating JD 408 million (\$576M) in tax revenue and supporting 308,000 jobs nationally. Jordan's optimism is not unfounded; the most recent UN World Tourism Organization (UNWTO) figures revealed that the number of tourists traveling to the Middle East between January and April 2007 had grown 8% compared to the same period in 2006. Middle Eastern tourism revenues grew an estimated 2% to \$27 billion, but the growth was still less than inflation.

16. (U) This growth in Jordan has occurred at a time when Jordan is surrounded by increased instability among almost all of its neighbors. Ahmad El Bashiti, Jordan Inbound Tour Operators Association Executive Director, told EconOff on July 11 that tour operators are still recovering from a series of shocks in the sector: 9/11, the start of the war in Iraq, and to a lesser extent the war in Lebanon. He said this cyclical nature can cause short-sightedness in investments and upkeep. A hotel general manager in Petra concurred that tourism has only started recovering this summer. He added that any spike in tourism due to Petra's victory will most likely not occur before next year because most tourists to Petra travel with tour groups and book months in advance. Nevertheless, regional officials and hotel employees all

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expected Petra's victory would bring more visitors, more hotel room bookings, and hence more revenue. The Ministry Tourism and Antiquities predicted the number of tourists to Petra to double. Petra averages 300,000-400,000 annual visitors, with 223,084 in the first five months of 2007.

Need for Infrastructure

17. (U) Executives throughout the tourism industry said that while the selection of Petra as a "new wonder" will serve as excellent free advertising, Jordan must take significant steps towards improving the quality of its tourist attractions. El Bashiti said Petra needs more and better restaurants, better facilities and transportation for elderly and handicapped travelers, and upgrades in the main trail running through Petra's ruins to provide more landscaping and shade. Officials from the Jordan Tourism Board said that improvements to the restrooms and visitor center, as well as enhanced interpretation facilities, were urgently needed if Jordan was going to benefit from the publicity.

18. (U) A Petra Regional Authority official added that the Petra area needs more attractions for younger tourists. Many officials pointed-out that visitors to Petra are typically older, educated, and traveling in a group. One Petra visitor said that Petra absolutely deserved the new title, but cautioned that the "visit experience" needs to be improved before more people will come. She said visitors are harassed by hawkers almost nonstop, which detracts from the overall experience, and further commented the hotels, while adequate, do not live up to their five-star billing.

19. (U) During a July 18 meeting with the Ambassador, Minister of Transport Saud Nseirat said that in the next few months, additional buses will be added to the Amman-Petra route. He noted that transportation to the park is a relatively easy fix in light of Petra's other challenges. Nseirat said Petra's image and experience still need to be enhanced, including restaurants and animal-based transportation.

Need for Protection

¶10. (U) At a July 15 conference on tourism and antiquities, audience members including academics described Jordan as "an open-air museum," and emphasized that the historical treasures need to be protected. There was particular concern for the role of private companies within heritage areas, an idea strongly supported by the tourism industry associations. Jordan has an estimated 150,000 archaeological sites, very few of which have been developed, including Petra which remains only 15% excavated.

Investments Underway

¶11. (U) Some important investments to support Petra are already well underway. Econoff visited July 17 the nearly completed reconstruction of Iljee Village in the town of Petra. This open-air museum will add to the tourist experiences in town, which officials hope will extend tourists' stay in Petra and in Jordan. USAID is in the process of approving a grant to Petra National Trust to carry out a zoning exercise. This exercise would designate where amenities can be located within Petra, and would include all of the parties which have responsibilities in Petra, including the Ministry of Tourism. This would be part of larger efforts by USAID's SIYAHA project to help preserve Jordanian antiquities. Separately in March, the USG supported the Petra National Trust's efforts to preserve a Nabataean wall painting with a grant of \$33,817 from the Ambassador's Fund for Cultural Preservation

¶12. (U) On July 16 in an area adjacent to Petra, Queen Rania inaugurated the premises of the Faculty of Antiquities, Tourism and Hotel Management founded at Al Hussein Ben Talal University. Additionally, a new university will be built in Aqaba with USAID support. One of the university's five colleges will focus on hotel management. These new programs will help meet the significant need for trained tourism professionals and help to build Jordan's tourism sector.

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